



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 23
AGENDA DATE: Thu 03/02/2006
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SUBJECT: Authorize negotiation and execution of a 12-month service agreement with PUBLIC CONSULTING GROUP, INC., Boston, MA, for the implementation of a Medicaid upper payment limit program for the Emergency Medical Services Department in an amount not to exceed \$80,000, with four 12-month extension options in an amount not to exceed \$15,000 per extension option, for a total agreement amount not to exceed \$140,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$80,000 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Emergency Medical Services Department. Funding for the extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Emergency Medical **AUTHORIZATION:** Vickie Schubert
Services;

FOR MORE INFORMATION CONTACT: Mick Osborne, Senior Buyer/974-2995

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Best evaluated proposal of two proposals received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

The Austin-Travis County EMS Department (A/TCEMS) annually files approximately 7,500 claims to Medicaid seeking reimbursement for ambulance services provided to Medicaid beneficiaries. The total amount of the annual claims is approximately \$2,700,000, or an average of approximately \$360 per claim filed. On average, Medicaid pays approximately \$50 per claim. Because current Medicaid reimbursement rates for services provided by A/TCEMS are significantly less than charges, as well as less than what Medicare or private insurance providers pay for the same service, federal guidelines now provide an opportunity to increase payment rates from Medicaid up to applicable upper payment limits.

This contract is for the services of a consultant to implement a Medicaid Upper Payment Limit (UPL) Program for the Emergency Medical Services Department in order to maximize Medicaid reimbursements. The vendor has specialized expertise in implementing and managing UPL programs, experience with dealing with the State Health and Human Services Commission, and the ability to handle the workload involved.

Based on an analysis of actual billings by EMS and reimbursements paid by Medicaid, it is estimated that an additional \$700,000 in annual Medicaid reimbursements could be achieved through the establishment of a UPL Program. This additional revenue estimate is calculated by analyzing actual Medicaid reimbursements paid to EMS as compared to what may be allowed in a UPL program.

RCA Serial#: 10597 Date: 03/02/06 Original: Yes

Published:

Disposition:

Adjusted version published:



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Public Consulting Group will design and implement a program to include preparation and submission of plans, communication with the State Health and Human Services Commission and the Federal Centers for Medicare and Medicaid, assistance with transaction processing and on-going management of the UPL Program. The first-year costs of the contract will be paid in increments based on the successful completion of milestones achieved during the implementation process.

An evaluation committee consisting of Emergency Medical Services financial staff evaluated the proposals based upon project concept and solutions proposed, demonstrated applicable experience, and total evaluated cost. The recommended vendor also received high satisfaction ratings from previous clients, including clients who implemented similar UPL programs, which resulted in substantially increased revenue.

MBE/WBE solicited: 10/4

MBE/WBE bid: 0/0

PROPOSAL ANALYSIS
(RFP No. MO05300346)

- a. Adequate competition.
- b. Eighty-nine notices were sent, including 10 MBEs and four WBEs. Three solicitations were issued, including no MBE/WBE firms. Two proposals were received.

APPROVAL JUSTIFICATION

- a. Best proposal received.
- b. The Emergency Medical Services Department concurs with the recommended award.
- c. Advertised in the Austin-American Statesman and on the Internet.